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RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte THOMAS W. POPLAWSKI and KHOON-HONG TAN

Appeal 2010-007613
Application 09/772,601
Technology Center 3600

Oral Hearing Held: September 8, 2011

Before JOSEPH A. FISCHETTI, BIBHU R. MOHANTY, and MICHAEL W. KIM, *Administrative Patent Judges*.

APPEARANCES:

ON BEHALF OF THE APPELLANT:

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34 The above-entitled matter came on for hearing on Thursday,
35 September 8, 2011 commencing at 1:55 p.m., at the U.S. Patent and

1 Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Paula
2 Lowery, Notary Public.

3

4 P R O C E E D I N G S

5 - - - - -

6 THE USHER: Good afternoon, Calendar Number 13, Appeal
7 Number 2010-007613, Mr. Schreiner.

8 JUDGE FISCHETTI: Good afternoon, Counsel.

9 MR. SCHREINER: Good afternoon, members of the Board. My
10 name is Steve Schreiner. I'm here from Goodwin Proctor here in D.C. on
11 behalf of the Applicant, which is J.P. Morgan Chase Bank, Application
12 Number 09/772601. This is an appeal from a final office action from June,
13 2005.

14 There's an initial administrative issue I wanted to bring to the Board's
15 attention. More of a procedural matter. There was an amendment after final
16 that was submitted in September, 2005. The Appeal Briefs that Applicant
17 filed in February, 2006, included those amended claims.

18 The Examiner's answer from June 20, 2006, indicated that the
19 September amendment after final had been entered. So all the briefing was
20 done based on the amendment after the amended claims pursuant to the
21 September, 2005, amendment after final.

22 Three or four years later, the Board sent out an order asking the
23 Examiner to clarify whether the amendment after final had been entered, and
24 the Examiner issued an advisory action in April, 2010 -- I believe mistakenly
25 -- indicating that the amendment after final hadn't been entered.

1 JUDGE MOHANTY: Was not entered.

2 MR. SCHREINER: Again, as I said the prior briefing, which was
3 more contemporaneous with the amendment after final, explicitly said in the
4 Examiner's answer that the September 13, 2005, amendment after final has
5 been entered.

6 JUDGE MOHANTY: Okay.

7 MR. SCHREINER: The claims that the Applicant listed in
8 Applicant's Appeal Brief were correct.

9 JUDGE MOHANTY: Okay, but the claims you filed in your claims
10 appendix in the Brief starting at page 20, those are the correct copy?

11 MR. SCHREINER: Those are the correct copy.

12 JUDGE FISCHETTI: Correct meaning the one that was admitted to
13 being entered prior to the most recent correspondence that said they weren't?
14 What are we calling corrected here? What dated claims?

15 MR. SCHREINER: They are the claims that are in the Appeal Brief
16 as Appendix A, which correspond to the amended claims submitted in the
17 September 13, 2005, amendment after final.

18 JUDGE FISCHETTI: Which were entered at that time?

19 MR. SCHREINER: Which were indicated as entered in the
20 Examiner's answer. I can read from the --

21 JUDGE MOHANTY: I have it here. In the Examiner's answer he
22 says the status of the claims in the Brief is correct and that the final rejection
23 was entered.

24 MR. SCHREINER: The amendment after final was entered.

1 JUDGE MOHANTY: That's what he said in the Appeal Brief. When
2 he mailed the thing out, he probably hadn't seen it in a few years.

3 MR. SCHREINER: Four years had passed. I think he just made a
4 mistake.

5 JUDGE MOHANTY: We'll go with the claims that you've got there.

6 MR. SCHREINER: The amendments to the claim were more in the
7 way of form.

8 JUDGE FISCHETTI: Okay.

9 MR. SCHREINER: I don't believe that the nature of applicant's
10 arguments, or the examiner's rejection, would change.

11 JUDGE FISCHETTI: Okay, go ahead.

12 MR. SCHREINER: Turning to the merits, the field is bill payment
13 systems. Conventional bill payment systems are biller centric and provide
14 the payer little flexibility.

15 This invention is directed to an electric bill payment system where
16 there's electronic bill presentment, but the electronic notification is such that
17 the payer has the option to either do an electronic payment of the bill or do a
18 conventional paper based payment of the bill by mailing it in with a
19 remittance slip.

20 This is accomplished by virtue of the fact that the electronic
21 notification of the bill includes two things. It includes an address for the
22 electronic database. So the address might be, for example, a web link, which
23 allows the payer to go and make his or her electronic payment.
24 But the electronic notification also includes information that is formatted for
25 a printable remittance slip. So, basically, the payer has the option on any

1 given bill to do an electronic payment or paper payment. The payer is given
2 the means to do so in the electronic notification itself.

3 That is very different from anything in the prior art that's of record
4 here. I do want to emphasize what's recited in the claim is a remittance slip,
5 not remittance data. It's important to remember that, as is well known in the
6 art, remittance slips are pieces of paper that have particular fields and have
7 physical formats and data items that are particular to a biller.

8 The whole goal is to allow for high speed remittance processing,
9 typically -- but not always -- including automatic opening of the envelopes,
10 imaging, OCR and ICR.

11 In fact, if you look at the Hilt patent, which is one of the tertiary
12 references that was not involved in the rejection of the independent claims,
13 the Hilt patent at Column 1, lines 27 through 47, discusses remittance
14 processing and how if a paper payment is sent in without a proper remittance
15 slip, it'll result in an error known as an exception item.

16 That is something that is undesirable, and that is something that
17 creates not only errors, but significant costs to the biller. So turning now to
18 the claims, the independent claims are Claims 1, 19, and 24. 1 and 19 are
19 methods, Claim 24 is a system claim.

20 Claim 1 is exemplary. Claim 1 recites maintaining a billing database -
21 - I'm going to paraphrase a little bit here for comprehensibility --
22 maintaining a billing database containing detailed billing information with
23 respect to at least one bill, relating to an account associated with a biller and
24 a payer.

1 Then generating an electronic summary of the bill that includes at
2 least a portion of the electronic summary, which is formatted in the form of a
3 remittance slip. Then generating an electronic notification containing the
4 electronic summary and an address through which the billing database can
5 be accessed.

6 That third clause is key. It's saying the electronic notification -- or the
7 e-bill, if you will -- includes both an address or link for electronic payment
8 as well as information that's formatted for a printable remittance slip so that
9 the payer can do a traditional paper payment if he or she desires.

10 The fourth step recites transmitting the electronic notification,
11 wherein it's printable to serve as a remittance slip in the traditional form or
12 payment, meaning a paper-based type payment. Thereby allowing the payer
13 the option to choose between paying the bill electronically and paying the
14 bill with a paper payment.

15 So distilling the differences between the invention and the prior art, I
16 really think there's two things. First, there's an e-bill summary that's
17 formatted in the form of a remittance slip that can be printed out and used as
18 a remittance slip. In other words, mailed in and processed as a remittance
19 slip should be processed.

20 Secondly, that the e-notification, the electronic bill presentment,
21 includes the option and the means to allow the payer to select between
22 electronic payment and traditional paper-based payment using the printed
23 remittance slip.

24 So now we turn to the rejections. As a preliminary note, all the
25 briefing is pre-KSR. I don't think that makes a difference. KSR, obviously,

1 said that no strict TSM requirement, we consider ordinary design, skill,
2 market forces and the like.

3 KSR still recognized that there may be a need for an apparent need to
4 combine. Most importantly, KSR reaffirmed the notion that teaching away
5 is still an important consideration in the obviousness inquiry.

6 The rejections to the independent claims are based on Hazeltine in
7 view of Hogan. Applicant's basic argument is that these two references,
8 whether you consider them alone or whether you combine them in any
9 fashion, simply don't teach these two key features that I mentioned.

10 Secondly, these references, as well as the tertiary references of
11 Shutzer and Hilt -- every single one of these references teaches away from
12 Applicant's approach of supporting paper-based payment.

13 The Hazeltine reference describes a bill and presentation of payment
14 system where the biller data and biller format data is processed against rule-
15 based templates so the billing entity can provide a bill that has the look and
16 feel of a traditional paper bill.

17 Hazeltine also talks about providing that look and feel preserves the
18 corporate identity. In essence, what Hazeltine describes is a biller centric
19 system that allows the biller to customize the electronic bills that are
20 displayed to a payer.

21 In Hazeltine all of the payments are e-payments or electronic
22 payments. Nowhere in Hazeltine does he talk about the possibility of paper-
23 based payments.

24 In fact, the Examiner's answer at page 4 acknowledged that Hazeltine
25 did not disclose an electronic bill that could be printed out as a remittance

1 slip, nor did it disclose an electronic notification that provided the option and
2 means for a payer to select between electronic payment and a paper-based
3 payment.

4 I'll go a step further and state that nothing in Hazeltine speaks about e-
5 bills being formatted as a remittance slip that can be printed out.

6 Turning to the teaching-away aspects, Hazeltine repeatedly teaches away
7 from paper-based payments. If you look at Columns 1 and 2, Column 1,
8 lines 55-58, Hazeltine talks about paper-based bill generation is often both a
9 lengthy and costly process.

10 It goes on to say in Column 2, lines 22-30 that what is needed,
11 therefore, are tightly integrated methods, devices, et cetera, for electronically
12 presenting bills to customers.

13 It goes on to say to pay such bills without the disadvantages
14 associated with conventional electronic payment systems and/or paper bills
15 and checks.

16 In both cases, totally teaching away from anything other than
17 electronic payments, and certainly teaching away from paper-based
18 payments.

19 Then the very last paragraph of Hazeltine, this is Column 13, lines 41-
20 54, he summarizes by saying the present invention has "several advantages
21 over traditional paper-based bill presentation and payment schemes." He
22 goes on to say that's by virtue of the fact that he is "foregoing paper in favor
23 of an electronic medium."

24 So in sum Hazeltine not only fails to disclose these two key
25 limitations I mentioned, but it clearly, I'd argue, teaches away.

1 The Examiner turns to Hogan, a secondary reference, to try to plug the
2 gaps in Hazeltine as compared to the claimed invention. Hogan describes a
3 bill delivery and payment system over a communications network. Just the
4 title of Hogan suggests that both bill presentation and bill payment are going
5 to be electronic.

6 In fact, when you review Hogan, that is the case. In Hogan the
7 payment is always an electronic payment. There's never any
8 e-bill formatted in Hogan with information that such a remittance slip can be
9 printed for a paper-based submission of the payment.

10 For example, if you look at Figure 4, Hogan discloses two
11 embodiments of the e-bill presentment. One is presenting the bill as a web
12 page, and the other is presenting the bill as an e-mail. The web page is on
13 Figure 4, so if you look at Figure 4 of Hogan, you'll see there's a lot of detail.
14 In fact, there's a button that says payment options, but there's nothing
15 remotely suggesting there's a payment option for doing a paper-based
16 submission. There's nothing here remotely suggesting you can press a
17 button and have a properly formatted remittance slip printed out so the
18 consumer can make a paper-based payment.

19 Likewise, in Figure 11 of Hogan, which is his second embodiment
20 where the bill presentment or bill notification is by an email push, you can
21 see that there's a button down at the bottom asking whether the payer
22 authorizes payment of the bill. That corresponds to Step 823 in Figure 8.
23 Figure 8 goes on to describe electronic payment.

24 So, again, in Hogan's second embodiment there's no disclosure of an
25 electronic bill that's presented that includes a principal, properly formatted

1 remittance slip, nor a notification that includes the option and the means for
2 the payer to select between electronic payment and paper payment.

3 JUDGE FISCHETTI: Counsel, if I may interrupt you here, doesn't
4 the specification talk about the possibility of printing out the e-mail itself
5 and mailing it back in as a remittance slip?

6 MR. SCHREINER: I don't believe so. The Examiner refers to
7 Column 5, Lines 1-15. This is in connection with the web page electronic
8 bill of Hogan. It indicates that the payer –

9 JUDGE FISCHETTI: I'm sorry if I wasn't clear, I meant your
10 specification talks about -- particularly page 12, sending back with the
11 printed e-mail serving as a remittance slip.

12 So you're talking about this precise formatted remittance slip when
13 your own specification talks to me about just printing out the e-mail and
14 sending it back with the check, which I've done, by the way, on occasion.

15 MR. SCHREINER: And which results, as Hilt describes, in a
16 processing error at the lock box where they receive all this stuff. You get
17 the envelopes from people who have a proper remittance slip and a check,
18 and then you have the stuff that I send in that just has a print out of the e-
19 mail like you mention.

20 JUDGE FISCHETTI: But isn't that what you're saying on page 12
21 there? That you can do that?

22 MR. SCHREINER: I don't think so. I think page 12 is referring to
23 the fact that the e-mail can be printed out in such a fashion that it can act as a
24 proper remittance forum. That's certainly what we've claimed here.

1 We've claimed an electronic summary that is in the format of a proper
2 remittance slip. We've also claimed that the electronic notification includes
3 two branches, one being for the payer to be able to link back for electronic
4 payment, or the payer to print out a remittance slip for a paper payment.

5 JUDGE FISCHETTI: Okay.

6 MR. SCHREINER: I think it's pretty well spelled out in the claims.

7 JUDGE MOHANTY: I think you've argued your case as effectively
8 as you can, but sometimes the facts of the case make it tough. I think you've
9 argued your case very well.

10 The problem I see here is, when we go to claim construction, the first
11 thing we look to is what is that remittance slip? I think you can make an
12 argument that that's not functionally descriptive material, but when I look to
13 your spec at page 12, which Judge Fischetti was mentioning, you say here
14 that a printed e-mail could serve as a remittance form.

15 So to me I don't see anywhere in your spec where you define what this
16 remittance form is. I think it's nonfunctional as to -- I think any bill you get
17 that you mail in with a check could be a remittance form. You know, that's
18 the first problem I see.

19 Then you also talk about the last line of the claim, it says: "allowing
20 at least one payer to choose between paying at least one bill electronically or
21 mailing the remittance slip." I mean it seems to me that's a limitation that's
22 in the alternative.

23 So, first of all, I think the prior art does show that you could mail in
24 this -- I think it would be obvious for anyone to mail it in with a bill.

1 Regardless, I think that claim limitation says "or". So if you could pay
2 electronically, the limitation could be met that way as well.

3 MR. SCHREINER: You're saying the last limitation?

4 JUDGE MOHANTY: Yes.

5 MR. SCHREINER: Let me address your points in sequence if I
6 could.

7 JUDGE MOHANTY: Yes.

8 MR. SCHREINER: As to the functional descriptive material, what I'd
9 respectively submit is that when you printed out the electronic summary and
10 the result is a properly formatted remittance slip, that is formatted for that
11 particular biller so it can be processed in the appropriate way by the
12 remittance processing system.

13 In other words, these pieces of data are here and the layout is this way.

14 That's actually quite functional and not nearly descriptive matter.

15 On the second point about the meaning of remittance slip, if you look
16 at page 3, it talks about a copy of the summary information contained or
17 attached to the email message is in the form of a remittance slip as is found
18 in a traditional paper-based bill.

19 The bill recipient is able to print out the remittance slip which can
20 then be included by the payer along with the non-electronic form of
21 payment.

22 So when the specification is talking about a remittance slip as found in
23 the traditional paper-based bill, it is talking about a proper remittance slip.

1 For example, I've got a credit card bill, and there's a detailed summary
2 at the top, and there's a remittance slip at the bottom. Sometimes we call
3 that a payment coupon.

4 If I send that remittance slip in with a check, it'll be processed
5 correctly, and it will not result in a processing error as Hilt describes.
6 If instead of using that slip I just take another part of the bill and throw it in
7 there with a check, that's not a proper remittance slip; and it won't be
8 processed correctly. It'll result in error and an exception item as Hilt
9 describes in detail. Hilt describes it as being something that's very, very
10 disadvantageous.

11 JUDGE MOHANTY: I understand your point. If your spec was
12 more clear on that -- I think under the broadest reasonable interpretation I
13 think a remittance slip is anything you attach a payment to.
14 I'm not sure an electronic bill isn't going to include the total you have to pay,
15 you know, what items -- I assume that would all be in an electronic bill as
16 well.

17 I see your point, but I'm not sure given your spec the broadest
18 reasonable interpretation that you specifically define this payment slip that
19 you're talking about.

20 MR. SCHREINER: Could I respectfully submit that taking into
21 consideration the purpose of the invention, which is we're trying to move to
22 an electronic-based system. So we're going to have all electronic
23 presentment.

1 We're going to give the payer flexibility by allowing him to do
2 electronic payment, or the flexibility and peace of mind that he can do
3 paper-based payment in some instances.

4 Given the nature of the system and the whole goal is efficiency, I don't
5 think it would make sense, given the purpose of the invention, for the
6 remittance slip to be anything that has some data about the bill on it because
7 that'll result in the payment processing errors that we talked about.

8 It is a big deal --

9 JUDGE MOHANTY: I don't disagree with what you've called the
10 "goal" of the invention, but we're looking at the claimed invention.

11 MR. SCHREINER: Right.

12 JUDGE MOHANTY: That's where the discrepancy comes in. You
13 can move on to the next point. We could go back and forth --

14 JUDGE FISCHETTI: Counsel, we're running close to the end, so if
15 you could sum up.

16 MR. SCHREINER: Let me try to make any other points I can make
17 then. Hogan does not show an electronic bill presentment that includes a
18 printable remittance slip. Hogan certainly doesn't include an electronic
19 transmission. It includes the means for either electronic payment or paper-
20 based payment. That's not found in any of these references.

21 If you look at every one of these references: Hazeltine, Hogan, Hilt
22 and Schutzer, every single one of them have passages that teach away from
23 paper-based payment.

24 They're adamant about it and very opposed to the notion of a system
25 that would continue to support paper-based processing, much less one that

1 would provide an electronic presentment with the option of paper-based
2 processing, as well as electronic payment processing.

3 I urge the Board to reconsider some of the passages in the
4 specification regarding the remittance. I do think it's broadest reasonable
5 interpretation, but I think it's in light of the specification.

6 Given the specification passages, the one I mentioned and others in
7 there, as well as the objects of the invention, I think the only reasonable
8 interpretation of the remittance bill is it's a proper remittance bill that can be
9 processed as it's supposed to be and not just any old piece of paper that's
10 thrown in to an envelope accompanying a check.

11 JUDGE FISCHETTI: Any other questions?

12 Thank you, Counsel.

13 MR. SCHREINER: Could I read the one passage from Hilt?

14 JUDGE FISCHETTI: Sure.

15 MR. SCHREINER: I've done a lot of work in this area of lock box
16 processing and what not, so I'm pretty sensitized to some of those issues.

17 JUDGE FISCHETTI: Sure. This is with the respect to the calamity
18 that it causes in the billing processing?

19 MR. SCHREINER: Right. In Column 1 of Hilt, it talks about the
20 prior art paper-based approaches. It states: "Billers who are often billing
21 small amounts with each transaction must incur the cost of processing many
22 checks, which includes opening envelopes, data capture, consumer's account
23 number, Micker reading and so forth.

24 "To ensure the cost of processing an item is small, billers have set up
25 huge operations for remittance processing, often outsourcing the work to

1 lock box operations, which process and deposit the payments for the biller,
2 supplying the biller with captured consumer data and Micker encoded
3 checks for deposit."

4 Then it goes on to say: "Given the economies of scale, a biller has
5 great incentive to reduce the amount of remittance processing. More
6 significantly, the biller has an even larger incentive to reduce the cost of
7 exception items.

8 "An exception item is a payment which, for some reason, cannot be
9 processed according to the highly automated procedures put in place by the
10 biller to quickly process remittances. Exception items include checks
11 received without payment coupons, payment coupons received without
12 checks," et cetera.

13 I respectfully submit that since Hilt is talking about an automated lock
14 box remittance processing system that when he's referring to a payment
15 coupon, he's referring to a proper payment coupon. A proper one having the
16 proper data in the proper layout.

17 Just as Applicant has claimed with the remittance slip that's recited in
18 the claim. Again, not just any piece of paper that has some information
19 about a bill.

20 I thank you for indulging me with the additional time.

21 JUDGE FISCHETTI: No problem.

22 MR. SCHREINER: Have a good day.

23 JUDGE FISCHETTI: You likewise. Thank you.

24 (Whereupon, the proceedings at 2:23 p.m. were concluded.)

25